11hr_AC-REDRA_ab0002(Se1)_pt01



Details: September 2011 Special Session Assembly Bill 2

(FORM UPDATED: 08/11/2010

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2011-12

(session year)

<u>Assembly</u>

(Assembly, Senate or Joint)

Committee on Rural Economic Development and Rural Affairs...

COMMITTEE NOTICES ...

- Committee Reports ... CR
- Executive Sessions ... ES
- Public Hearings ... PH

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... Appt (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... CRule (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)

(ab = Assembly Bill)

(ar = Assembly Resolution)

(ajr = Assembly Joint Resolution)

(sb = Senate Bill)

(sr = Senate Resolution)

(sjr = Senate Joint Resolution)

Miscellaneous ... Misc

Assembly

Record of Committee Proceedings

Committee on Rural Economic Development and Rural Affairs

September 2011 Special Session Assembly Bill 2

Relating to: small business loan guarantees by the Wisconsin Housing and Economic Development Authority.

By Committee on Assembly Organization, by request of Governor Scott Walker, Representatives Petryk, Bernier, Larson, and Senator Leibham.

October 11, 2011

Referred to Committee on Rural Economic Development and Rural Affairs.

October 19, 2011

EXECUTIVE SESSION HELD

Present:

(15)Representatives A. Ott, Steineke, Petrowski, Murtha, Tauchen, Ripp, Krug, T. Larson, Rivard, Danou, Vruwink, Jorgensen, Radcliffe, Ringhand and Doyle.

Absent:

(0)None.

(0)

Excused:

None.

Moved by Representative Steineke, seconded by Representative T. Larson that Assembly Amendment 1 be recommended for adoption.

Ayes:

(14) Representatives A. Ott, Steineke, Petrowski, Murtha, Tauchen, Ripp, Krug, T. Larson, Rivard, Danou, Vruwink, Jorgensen, Ringhand and Doyle.

Noes:

(0) None.

Absent: (1) Representative Radcliffe.

ASSEMBLY AMENDMENT 1 ADOPTION RECOMMENDED. Ayes 14, Noes 0

Moved by Representative Danou, seconded by Representative Jorgensen that Assembly Amendment 2 be recommended for adoption.

Ayes:

(5) Representatives Danou, Vruwink, Jorgensen, Ringhand and Doyle.

Noes: (9) Representatives A. Ott, Steineke, Petrowski, Murtha, Tauchen, Ripp, Krug, T. Larson and Rivard.

Absent: (1) Representative Radcliffe.

ASSEMBLY AMENDMENT 2 ADOPTION NOT RECOMMENDED, Ayes 5, Noes 9

Moved by Representative Vruwink, seconded by Representative Jorgensen that **Assembly Amendment 3** be recommended for adoption.

Ayes: (5) Representatives Danou, Vruwink, Jorgensen, Ringhand and Doyle.

Noes: (9) Representatives A. Ott, Steineke, Petrowski, Murtha, Tauchen, Ripp, Krug, T. Larson and Rivard.

Absent: (1) Representative Radcliffe.

ASSEMBLY AMENDMENT 3 ADOPTION NOT RECOMMENDED, Ayes 5, Noes 9

Moved by Representative Danou, seconded by Representative Vruwink that **Assembly Amendment 4** be recommended for adoption.

Ayes: (6) Representatives Danou, Vruwink, Jorgensen, Radcliffe, Ringhand and Doyle.

Noes: (9) Representatives A. Ott, Steineke, Petrowski, Murtha, Tauchen, Ripp, Krug, T. Larson and Rivard.

ASSEMBLY AMENDMENT 4 ADOPTION NOT RECOMMENDED, Ayes 6, Noes 9

Moved by Representative Danou, seconded by Representative Vruwink that **Assembly Amendment 5** be recommended for adoption.

Ayes: (5) Representatives Danou, Vruwink, Jorgensen, Ringhand and Doyle.

Noes: (9) Representatives A. Ott, Steineke, Petrowski, Murtha, Tauchen, Ripp, Krug, T. Larson and Rivard.

Absent: (1) Representative Radcliffe.

ASSEMBLY AMENDMENT 5 ADOPTION NOT RECOMMENDED, Ayes 5, Noes 9

Moved by Representative Steineke, seconded by Representative T. Larson that **September 2011 Special Session Assembly Bill 2** be recommended for passage as amended.

Ayes: (10) Representatives A. Ott, Steineke, Petrowski, Murtha, Tauchen, Ripp, Krug, T. Larson, Rivard, Doyle.

(4) Representatives Danou, Vruwink, Jorgensen and Ringhand.

Absent: (1) Representative Radcliffe.

Noes:

PASSAGE AS AMENDED RECOMMENDED, Ayes 10, Noes 4

Erin Ruby

Committee Clerk

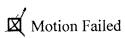
Date: 1019111 Moved by: Stoine	Le Se	conded by:	Lacs	0	·······		
ав	SB						
AJR	SJR		Appointment				
AR	SR		Other				
A)S Amdt							
A/S Amdt	to A/S Am	dt					
A/S Sub Amdt							
	to A/S Sub						
A/S Amdt	to A/S Am	dt		to A/	S Sub Amdt		
Be recommended for: ☐ Passage			☐ Concurrent☐ Nonconcur		□ Indefinite P	ostponement	
Committee Member			<u>Aye</u>	<u>No</u>	<u>Absent</u>	Not Vot	
Representative Alvin Ott, Chair			Ø				
Representative Jim Steineke			Ø				
Representative Jerry Petrowski			Ø				
Representative Joh	Representative John Murtha		Ó				
Representative Gar	y Tauchen		X				
Representative Keit	th Ripp		X				
Representative Sco	tt Krug		Ø				
Representative Tho	mas Larson		Ø				
Representative Rog	ger Rivard		X				
Representative Chr	is Danou		风				
Representative Am	y Sue Vruwin	k	Ø				
Representative And	dy Jorgensen		X				
Representative Mar	k Radcliffe						
Representative Jan	is Ringhand		Ø				
Representative Ste	ve Doyle		区				
		Totals					

Motion Carried

☐ Motion Failed

Date: 10	9/11					
Moved by:	andle	Seconded	by:	Lev.	sen	
SSAB 2	SB		Clearingho	ouse Rule		
AJR	SJR_		Appointme	ent		
AR	SR		Other		***************************************	
(A)S Amdt	<u> </u>					
A/S Amdt	,	to A/S Amdt				
A/S Sub Amdt _						
		to A/S Sub Amdt				
A/S Amdt		to A/S Amdt		to A/	S Sub Amdt	
Be recommended Passage Introduction	Adoption	☐ Confirmation☐ Tabling	□ Concurren		□ Indefinite P	ostponement
Committee M	<u>lember</u>		<u>Aye</u>	<u>No</u>	<u>Absent</u>	Not Voting
Representat	ive Alvin Ott	, Chair				
Representat	ive Jim Steir	eke		\nearrow		
Representat	ive Jerry Pet	rowski		Ø		
Representat	ive John Mu	rtha		Ø		
Representat	ive Gary Tau	chen		$ \boxtimes $		
Representat	ive Keith Rip	р		Ø		
•	ive Scott Kru			\boxtimes		
Representat	ive Thomas	Larson		abla		
·	ive Roger Ri			Ø		
•	rive Chris Da		Ø			
-	tive Amy Sue					
•	tive Andy Joi		Ø			
Representat	tive Mark Rad	dcliffe			Ø	
•	tive Janis Rir					
•	tive Steve Do	_	Ø			
•		Tota	de: F	9	١	
		1016	113.			

☐ Motion Carried



AB	•		-	Clearinghouse Rule				
AJR			• •	AppointmentOther				
AR	SK		Oulei					
A)S Amdt								
A/S Amdt		AVS Amdt						
A/S Sub Amdt A/S Amdt		A/C Cub Amdt						
A/S Amdt					S Sub Amdt			
AVO AIIIdt					_			
Be recommended for: Passage Introduction	Adoption Rejection	Confirmation Tabling	☐ Concurren☐ Nonconcu		☐ Indefinite P	ostponement		
Committee Member	<u>er</u>		<u>Aye</u>	<u>No</u>	<u>Absent</u>	Not Vot		
Representative Alvin Ott, Chair								
Representative J	im Steineke	•		Ø				
Representative J	erry Petrov	vski		Ø				
Representative J	ohn Murtha	1		X				
Representative C	Sary Tauche	en		Q				
Representative K	eith Ripp			Ø				
Representative S	Scott Krug			X				
Representative 1	homas Lar	son		R				
Representative F	Roger Rivar	d		Q				
Representative 0	Chris Danoเ	i	Ø					
Representative A	Amy Sue Vr	uwink	\boxtimes					
Representative A	Andy Jorge	nsen	Ø					
Representative N	/lark Radcli	ffe			Ø			
Representative .	Janis Ringh	and	Ø					
				_		وسسو		

☐ Motion Carried

Motion Failed

ав <u> </u>	SB	Clearinghr	ouse Rule	•		
AB	SJR	Clearinghouse Rule Appointment				
AR	SR	Other				
AyS Amdt						
A/S Amdt	to A/S Amdt					
A/S Sub Amdt						
A/S Amdt				/O.O. b. A		
A/S Amdt	to A/S Amdt	W	to A/	S Sub Amat		
Be recommended for: ☐ Passage	ption Confirmation Tabling	☐ Concurrend Nonconcur		□ Indefinite P	ostponemen	
Committee Member		<u>Aye</u>	<u>No</u>	<u>Absent</u>	Not Vo	
Representative Alvi		\bigvee				
Representative Jim		X				
Representative Jer		X				
Representative Joh		Ø				
Representative Gar	y Tauchen		Q			
Representative Kei	th Ripp		Q			
Representative Sco	ott Krug		Q			
Representative Tho	omas Larson		Q			
Representative Rog	ger Rivard		Ø			
Representative Chi	ris Danou					
Representative Am	y Sue Vruwink					
Representative And	dy Jorgensen	区				
Representative Ma	rk Radcliffe					
Representative Jar	nis Ringhand					
Representative Ste	ve Doyle	X				

☐ Motion Carried

Motion Failed

Date: 10 19 Moved by: Da	nou	Seconded	by: Vchu	o. nt	<u>د</u>			
ав <u></u>	SB		Clearingho	ouse Rule	9			
AJR			Appointme	Appointment				
AR	SR_		Other					
A)s Amdt	>							
. /		to A/S Amdt						
A/S Sub Amdt								
		to A/S Sub Amdt						
A/S Amdt		to A/S Amdt		to A/	S Sub Amdt			
Be recommended f Passage Introduction	for: Adoption Rejection	☐ Confirmation ☐ Tabling	☐ Concurren		☐ Indefinite P	ostponement		
Committee Me	<u>ember</u>		<u>Aye</u>	<u>No</u>	<u>Absent</u>	Not Vot		
Representative Alvin Ott, Chair				\mathbb{Z}				
Representative Jim Steineke				Ø				
Representative Jerry Petrowski				K				
Representative John Murtha				X				
Representati	ve Gary Taເ	ıchen						
Representati	ve Keith Rip	р		Ø				
Representati	ve Scott Kr	ug		Q				
Representati	ve Thomas	Larson						
Representati	ve Roger Ri	ivard		石		ᆸ		
Representati	ve Chris Da	nou			旦	닏		
Representati	ve Amy Sue	Vruwink			브	닏		
Representati	ve Andy Jo	rgensen			L	ᆜ		
Representati	ve Mark Ra	dcliffe				ᆜ		
Representati	ve Janis Ri	nghand	Q					
Representati	ve Steve Do	oyle	Æ	Ц				
		Tota	ls: 5	9				

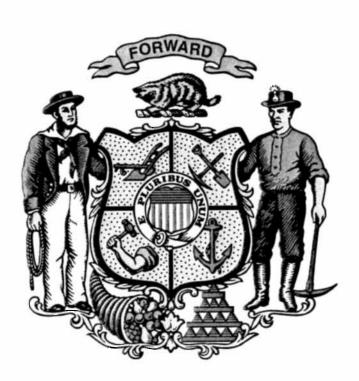
☐ Motion Carried

Motion Failed

AB	SB		Clearingho	use Rule)		
AJR			Appointme	Appointment			
AR			Other				
A/S Amdt							
A/S Amdt	to .	A/S Amdt					
A/S Sub Amdt							
A/S Amdt					C Cub Amdt		
A/S Amdt	to	A/S Amdt		to Av	2 200 Amat		
		Confirmation Tabling	☐ Concurrence Nonconcur		☐ Indefinite P	ostponement	
Committee Membe	<u>•r</u>		<u>Aye</u>	<u>No</u>	<u>Absent</u>	Not Vo	
Representative Al	vin Ott, Cl	nair	Ø				
Representative Jim Steineke			\square				
Representative Je	erry Petrov	vski	abla				
Representative Jo	ohn Murtha	a					
Representative G	ary Tauch	en	Q				
Representative K	eith Ripp						
Representative So	cott Krug		Q				
Representative TI	homas Lar	son	Q				
Representative R	oger Rivar	ď	Ą				
Representative C	hris Danoเ	1		X			
Representative A	my Sue Vr	uwink		X			
Representative A	ndy Jorge	nsen		X			
Representative M	ark Radcli	ffe			Ø		
Representative Ja	anis Ringh	and		Ø			

Motion Carried

☐ Motion Failed



-



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

September 2011 Special Session Assembly Bill 2

Assembly Amendment 1

Memo published: October 20, 2011

Contact: Anna Henning, Staff Attorney (266-0292)

CURRENT LAW

The small business development loan guarantee program is administered by the Wisconsin Housing and Economic Development Authority (WHEDA). Under current law, WHEDA may use funds from the Wisconsin Development Reserve Fund to guarantee a loan made to an eligible borrower if the loan satisfies various criteria. For example, WHEDA must approve the interest rate for the loan; the lender must obtain a security interest in the borrower's assets; and the lender must believe that it is reasonably likely that the borrower will be able to repay the loan in full with interest. In addition, the loan proceeds must be used for the purchase or improvement of land, buildings, machinery, equipment, or inventory relating to one of the following three types of activities:

- The expansion or acquisition of a business.
- The start-up of a child care business.
- The start-up of a small business in a vacant storefront in the downtown area of a "rural community," defined to mean a city, town, or village that either: (1) is located in a county with a population density of less than 150 persons per square mile; or (2) has a population of 12,000 or less.

To be eligible to receive a loan guarantee under the program, a borrower must satisfy all of the following criteria:

- Be a small business that employs 50 or fewer full-time employees.
- Have an owner who is actively engaged in the business.
- Have an owner whose name does not appear on the statewide support lien docket or who has a valid child support payment agreement.

WHEDA is authorized to determine the portion of the principal of an eligible loan to be guaranteed under the program. However, the guaranteed portion may not exceed 80% of the principal of the loan or \$200,000, whichever is less.

WHEDA may establish a single portion to be guaranteed for all loans that do not exceed \$250,000 and a single portion for all guaranteed loans that exceed \$250,000. Alternatively, it may establish on an individual basis different portions for eligible loans that exceed or do not exceed \$250,000.

SEPTEMBER 2011 SPECIAL SESSION ASSEMBLY BILL 2

September 2011 Special Session Assembly Bill 2 makes several changes that expand eligibility for the small business development loan guarantee program. Specifically, the bill:

- Modifies the definition of "small business" to include businesses with 250 or fewer full-time employees, rather than the 50 or fewer full-time employee limit under current law.
- Removes the requirement that a small business owner be actively engaged in a business that receives a loan guaranteed under the program.
- Increases the maximum portion of the principal of a small business development loan that may be guaranteed to the lesser of \$500,000 or 80% of the loan (compared with \$200,000 or 80% of the loan under current law).
- Removes a requirement that loans used to start a small business in a downtown vacant storefront must be used in a rural community.
- Increases the dollar amount that serves as a dividing line for WHEDA's establishment of either set or varying portions of the loans to be guaranteed, to \$625,000, rather than \$250,000 under current law.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 to September 2011 Special Session Assembly Bill 2 further increases the maximum portion of the principal of a loan that WHEDA may guarantee under the small business development loan guarantee program, to the lesser of \$750,000 or 80% of a loan, rather than the lesser of \$500,000 or 80% of the loan under the bill.

In addition, the amendment increases the dollar amount that serves as a dividing line for WHEDA's establishment of either set or varying portions of loans to be guaranteed to \$937,500, from \$625,000 under the bill.

LEGISLATIVE HISTORY

Assembly Amendment 1 to September 2011 Special Session Assembly Bill 2 was offered by Representative Petryk on October 13, 2011. On October 19, 2011, the Assembly Committee on Rural Economic Development and Rural Affairs voted to recommend adoption of the amendment on a vote of Ayes, 14; Noes, 0. On the same day, the committee voted to recommend passage of the bill, as amended, on a vote of Ayes, 10; Noes, 4.

AH:jal